MINE INSPECTION REPORT FOR Q3 2006

Executive Summary

The underground mines in Indiana were in good working condition. The focus this quarter were on the surface installations of the mine sites, to include all prep plants, surface belts and structures, all surface equipment, dumping points, and electrical installations.

The quarterly inspections of the six underground mines were as follows:

Hazleton Coal Mine, White River Coal Company

Inspection date August 25, 2006:

Inspected: Raw coal belt, clean coal belt, plant feed belt, stacker belt, electrical installations, preparation plant, shop area, surface equipment, surface books, and an independent contractor on site, A&B Contracting Company.

Findings:

- 1. Oxygen cylinder not secured in shop area.
- 2. Tail and take-up area at stacker belt needed cleaned.
- 3. Slope belt drive area no fire extinguisher.
- 4. Slope belt head needed cleaned.
- 5. Slope walkway area needed cleaned.
- 6. Raw coal belt & tunnel needed cleaned.
- 7. Shaker deck had no fire extinguisher.
- 8. Prep plant had bad fire extinguisher on first floor.
- 9. Second floor fire extinguisher needed an updated inspection tag.
- 10. #17 Golf cart needed fire extinguisher.
- 11. #635 mantrip needed inspection tag in extinguisher.
- 12. #636 mantrip needed inspection tag updated.
- 13. Cat 40-ton hauler needed extinguisher tag updated and truck needed some cleaning.
- 14. A&B Contactors: Their shop area needed some cleaning and a light replaced on the operator's side of 71-0008 Cat Haul truck.

Found no violations that were significant or substantial and all violations that were found were addressed and corrected.

Air Quality Mine, Black Beauty Coal Company, Solar Portal

Inspection date August 1, 2006:

Inspected: Raw coal stacker belt, raw coal stacker tunnel, plant feed belt, refuse belt, fines belt, loadout belt, clean coal stacker belt, clean coal tunnel, electrical installations, surface books, surface equipment, and prep plant.

Findings:

- Raw coal stacker belt head area needed cleaned.
- 2. Raw coal tunnel spill at #4 feeder.
- 3. Plant feed belt belly pan at head needed cleaned.
- 4. Refuse belt guards needed replaced at head and tail.
- Fines belt structure needed cleaned.
- 6. Kamatsu WA 600 needed cleaned.

7. Cat 988 B needed cleaned.

All violations were attended to and no violations were substantial or significant.

Inspection date September 29, 2006:

Inspected: All record books, Unit #2, 2M North seals, 3RWM North seals, travelway from cage bottom to Wheatland portal, travelway from cage bottom to unit #2, and travelway from Wheatland portal to Main South #60 belt. LOC air reading in Unit #2 was 25,990 cfm.

Findings:

Unit #2 at #5 face - the line curtain was too far from the face area. No gas was present and line curtain was advanced.

All violations were attended to and nothing was substantial or significant.

Air Quality Mine, Black Beauty Coal Company, Wheatland Portal

Inspection date August 2, 2006:

Inspected: Shop area, slope belt and head house, transfer belts #1, 2, & 3, fines dump bin room, breaker feed belt, plant feed belt, prep plant, surface equipment, electrical installations, and surface books.

Findings:

- 1. Found nine fire extinguishers on the surface that need updated tags.
- 2. Fines dump bin needed cleaned and hole in floor area covered.
- 3. Plant feed belt take-up area needed cleaned.
- 4. Breaker feed belt head area needed cleaned.

All areas that were in violation were corrected and mine site looked good.

Gibson Mine, Gibson Coal Company

Inspection date: August 3, 2006:

Inspected: Slope belt, slope transfer belt, raw coal belt, raw cola tunnel, clean coal belt, clean coal tunnel, clean coal transfer belt, refuge belt, loadout belt, raw coal stacker belt, clean coal stacker belt, prep plant, surface equipment, surface books, and breaker house.

Findings:

- Breaker house oxygen and acetylene tanks needed broke down.
- 2. Screen area needed guarded.
- 3. Slope transfer belt guard needed added at take-up end of belt.
- 4. Raw coal silo fire extinguisher needed inspection tag.
- 5. Hoist switch at clean coal silo needed button repaired.
- 6. Cable on flood light on clean cola transfer belt needed repaired.
- 7. Fire extinguisher at clean coal stacker belt needed replaced.
- 8. Emergency pull rope at head of Loadout belt needed secured to stronger anchorage point.

All violations were corrected and the mine property was in excellent condition.

Inspection Date: September 22, 2006 (afternoon shift)

Inspected: North sub main seal areas, 1 North seals, 2 North seals, Unit #3, Unit #4, all travelways to seals and units, all mine record books.

Findings:

- 1. Found one fire extinguisher that was discharged, this was corrected.
- 2. All units that were inspected were well dusted, well ventilated, and maintained. All faces were checked in both units CH4 readings were within legal limits, air was traveling its normal course. Unit #3 LOC air reading 33,740 cfm. Unit #4 LOC air reading 32,640 cfm.
- 3. Seal areas were in safe condition and gas readings within limits of the law.

Mine was in good condition; areas inspected were well maintained, dusted, and ventilated.

Prosperity Coal Mine, Five Star Coal Company

Inspection date: August 8, 2006:

Inspected: Prep plant, raw coal belt, plant feed belt, slope belt and slope transfer belt, raw coal tunnel belt, clean coal tunnel belt, surface equipment, electrical installations, surface books, fines belt, and rotary breaker and belt.

Findings:

- 1. Thickening pond needed fire extinguisher at motor.
- 2. Hydraulic unit at Loadout needed fire extinguisher.
- 3. Head at fines belt needed cleaned.
- 4. Clean coal belt needed fire extinguisher at head.
- 5. Needed fire extinguisher at slope belt drive area.
- 6. Transfer point at slope belt needed extinguisher and guards at take-up needed put back on take-up.
- 7. Belt structure and walkway needed cleaned on slope belt.
- 8. L120B forklift needed cover replaced on left side of motor compartment.
- 9. Ladder chain guards need to be hung when ladders not in use.

Mine site and plant were in good shape, slope area needed the most attention, and all violations were corrected.

Inspection Date: September 20, 2006: (afternoon shift)

Inspected: Slope belt, safe rooms, 1MW #2 seal area, 1W seals, Unit #4 travelways from bottom to 1W seals, travelways from bottom to #4 unit, and all mine record books.

Findings:

- 1. Slope belt needed walkway and belt structure cleaned.
- 2. Fall between #59 and #60 crosscut and fall between #63 and #64 crosscut in #6 entry adjacent to the travel entry to Unit #4 needed flagged.
- 3. All seal areas were maintained in a safe condition and gas limits within the limit of the law.
- 4. Unit #4 all seven room faces were checked, O2 and CH4 readings were in the safe range, LOC air reading was 21,300 cfm. Unit was in excellent condition and well maintained.

All violations that were found were corrected and the two fall areas had equipment there to start clean up. All employees who I encountered were cordial and attentive to their jobs and to questions that were asked.

Freelandville Mine, Triad Coal Company

Inspection date August 23, 2006:

Inspected: Shop area, electrical installations, prep plant #1 and prep plant #2, equipment, surface books, all surface belts, and buildings.

Findings:

- 1. Prep plant #1 all floors needed cleaned and motor housing guard needed repaired.
- 2. Plant feed #1 belt needed cleaned.
- 3. Crusher motor area needed cleaned.
- 4. Fines belt and walkway needed cleaned.
- 5. Bottom roller on fines belt needed replaced.
- 6. Cover on reducer at Plant feed belt #2 needed replaced.
- 7. All end loaders needed covers replaced; covers were on order.
- 8. #249 loader rear light out.

All areas were being cleaned and overall mine site was in good condition. Mechanical repairs were done.

Francisco Mine, Black Beauty Coal Company

Inspection date August 16, 2006:

Inspected: Shop area, collecting belt, stacker belt, slope belt, surface books, surface equipment, and electrical installations.

Findings:

- 1. Case 60xt Bobcat both front light lenses were cracked.
- 2. Terex gradeall engine compartment needed cleaned.
- 3. Collecting belt, tail area needed cleaned, belt structure needed cleaned, and head and snub roller bearings needed cleaned.
- 4. Slope belt from drive area to head needed cleaned and also structure.

Mine site was in good condition. Violations were corrected.

Solar Sources Wheatland Rail Site, Solar Sources Inc.

Inspection date July 7, 2006:

Inspected: Train loadout facility, loadout belt head to tail, coal tunnels train and truck, truck loadout belt head to tail, hydraulic units, electrical installations, surface books, shop area, and surface equipment.

Findings:

- 1. MCC room on top landing of loadout had coal dust accumulation.
- 2. Oxygen tank in shop area needed broke down.
- 3. 1221 D-8 dozer had front light out.
- 4. Extinguisher at tail of truck loadout bottom was getting some corrosion.
- 5. Head house at truck loadout needed some housekeeping clean up.

All items that were found were corrected and the rail site overall is in excellent condition.

All mine sites that were inspected are in good to excellent condition. The company and workers again were cordial and attentive, and quick to correct any condition found.

Deputy Commissioner Indiana Bureau of Mines Don "Blink" McCorkle